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THE ROLE OF GOVERNMENT IN HOUSING REHABILITATION

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by

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To search for a rationale for 'government intervention' betrays a fundamental belief in a relationship between government and society that I think needs to be addressed at the outset.

The concept that government is a continuing entity created somehow separately from the governed and that government policy is a creation to be matched to another independent reality is a course of distress to many who see 'them' vs. 'us' as the basic problem in modern society.

I hope, therefore, it would be possible to begin any assessment of a specific such as why government should be involved in repairs to privately-owned property by reminding ourselves of what government itself is or should be. I am well aware of both the dangers and the irritation of that naive approach, but I am consoled by the thought that an emperor's life was considerably improved by a child's observations.

Government, surely, is a creation of man in response to the needs of man. Its only justification is the protection and nurturing of human society and anything else is tyranny. When the Greek poet, Thucydides said, "better a small city on a rock, well governed, than stupid Ninevah", that is what he meant. Government for us not us for government. He meant us and he spoke for a collectivity.

Any assessment of the relationship between individuals, society, and their governing agencies must be guided by the concept of the public good. Nothing else will work. If individuals have needs and those needs are shared with others, then it is the duty of their collective voice to speak to the problem. If the needs can be met by collective action then it is the duty of their collective agencies, secular government or religion, to act at a level appropriate to the problem. Mankind is by nature a social creature. We have always herded or grouped together, initially one supposes for efficiency in hunting and protection, but finally into cities either for both the practical and uplifting reasons expressed by the Elizabethan, John Stow,[1] or for the mystical and seemingly more dated views of Lewis Mumford, but always we have existed in society.

It seems inescapable, to me at least, that any judgment about a specific must be in the context of human society not in the context of the specialized and artificial thought patterns and creations of men of a particular period. I say that because I feel that the passionate search for purpose and for underlying cause translated into systems believed to be natural or scientific or universal of late 17th and 18th century man has been very much a mixed gift. Historically, much of the evil visited on mankind is a result of warping society to conform to an imagined systematic truth like communism, fascism, or, dare one say, economics. History would teach us that facts,

even accumulated facts, are not by themselves laws, and economic facts cannot be raised into economic law if it imposes a tyranny in the face of demonstrated actual harm to society.

A distant Scottish relative of mine once wrote a book based on an opinion he held, based on facts that he observed, and his opinions were raised falsely to the status of law. The only economic laws that society can afford to follow had already been written - perceived out of historical truth. They are described by Christians as the two fundamental commandments and they supercede all others because all others grow out of them. After calling on the faithful to love God with all their hearts, which I take as an admonition to remember that we are individual creatures subject to something greater, they are then told, "Thou shalt love thy neighbour as theyself": now that is law - a principal of universal application against which all other things must be judged or measured. For the non-Christian it is consoling to recognize that these laws were not original to the early Christians and their truth does not remain an exclusive possession.

Given the opinions above, I find it necessary to begin with the people and, in particular, to establish what their expectations of housing are in 1983, and from that try to imagine what they are likely to be by the end of the century and from that what Government involvement should be.

A review of much published material on public housing would establish that at least in the minds of those who administer programmes and funds it is "a matter of basic human right to have clean, warm shelter for every Canadian".[2] Certain groups are repeatedly identified as more deserving than others,[3] but all have the right.

If we look at what people do and not what is said about them, a basic reality emerges. An assessment of figures available in 1983 would indicate that beyond shelter 'home ownership' remains an ambition for a large majority of Canadians - not just clean and warm, but mine! Whether or not that ambition is deemed wise in a world of specialized thought, it is nonetheless real. It is an ambition emerging from society that government and their agents would frustrate at their peril.

The available statistics on home ownership reveal the extent of that ambition: around 70% of the population in Atlantic Canada, about 50% in Quebec, and the remainder hovering around 60% are presently owners of houses. Even seen in terms of family finances, the reality of the ambition is confirmed by the fact that even among low-income families, over one-third are home owners.

Whether or not it is good economic theory for the poor to own houses, it is not possible for a university economist to convince a manual labourer that his wish to achieve what is perceived to be a degree of independence is 'senseless'.

I would not want to be standing between the two when the attempt was made.

The inherited pressure for individual home ownership is only reinforced by the lack of attractive alternatives, not created by it. In the Maritime provinces which, with two or three modest exceptions, remains in reality a rural, small community environment there are very few real alternatives to ownership, and very few could convincingly offer themselves to people who equate ownership with independence and identity.

In large Canadian cities, especially those with a large immigrant population, the amount of non-ghetto public housing is not sufficient to transfer easily from a previously experienced state public housing system to one here. I should think that rather than modifying the North American desire for home ownership, the immigrants have sustained and reinforced it. I have never met an English-born Canadian who lusts after a council house on a nice council estate, although I am prepared to believe there might be one out there somewhere. The immigrant reality is closer to the Portugese neighbour of friends in Ottawa who is in some danger of wearing out her house through excessive polishing and possessive fondling.

In the countryside, particularly among those Canadians with low incomes, the thrust for home ownership is probably even greater and, despite low income and the impossibility of mortgage financing,[4] remains a reality even if the results are often distinctly unlovely.

The number of non-architect, non-professional builder starts in the Maritimes is larger than many would realize. In that part of rural New Brunswick where I live there are fifteen houses in the process of building and only one is the result of professional activity on the part of a builder. And I doubt that more than three would involve borrowed money. The published figures from Newfoundland confirm this unmistakably. 80.6% of the private dwellings are owner-occupied. They are acquired earlier with the household head normally in the 19 to 24-year age range. The province has the lowest per capita income, and traditionally the highest unemployment rate.[5] Approximately 65% of total housing starts occurred outside the main areas of mortgage lending[6] with bank loans being the source of funding most often turned to.

The answer to what do Canadians expect is demonstrated: they expect to own their own houses. The question then for government is not should they want their own homes but, rather, what is the most healthy, constructive, and socially beneficial way to support and, where necessary, guide that demand. Subsidiary questions flow from that like Niagara but, like Niagara, there is an essential direction to the flow that demands respect.

What is the present situation in terms of housing availablility in Canada, both physically and financially? What are the most pressing problems? Do we need to modify

the rate of new construction? Where are the clearest demands being made geographically or in terms of population, age, and income levels? Those questions are part of the flow.

It has been argued for several years that lessened direct assistance in home ownership is justified and that it is in the government's financial interest to step back. At the same time it has been increasingly recognized that there are real social needs to be met and societal benefits to be obtained through a government policy that emphasizes involvement in existing stock and particularly in the realm of change and improvement in that existing stock.

Again, to determine what government should do we need to establish what, if anything, the people have established through their actions and to assess whether individual or social needs are being met.

As Mumford points out, Society, like agriculture and the economy of a country, functions best when it is mixed.[7] A community made up of persons of one restricted and isolated income, one employment, religious or racial group is inherently unhealthy. Most urban policy planners recognize this.[8] The lessons of history are there to prove that to us and modern life daily demonstrates that to us in terms of crime rates, family breakdown, and skyrocketing costs of social first-aid programmes.

The question that immediately arises from what I have previously said must be - if the people are right why is

there any potential problem? Does not the free market equal the publics mood? A plea for free market values is based on the inescapable reality that housing patterns clearly reflect society's views and ambitions. However, while society's views are dynamic and changing, its housing products are not. If left alone and if not subject to the assessment of communal long-term health and socially beneficial goals, unsupervised housing patterns can create real social problems. Especially in regions where much of the existing housing is over 100 years old.

Approached as a scholarly exercise, it becomes an inevitable consequence of Jane Jacob's city that government must control the percentage distribution of new housing and, even more, control the disposition of existing stocks of housing. That would be policy growing from theory and therefore a form of tyranny if there was not evidence that society had already demonstrated both the problem and its solution.

In 1971, J. L. Granatstein published an account[9] of "one street against a developer" which is still instructive on many counts. The Marlborough Street in Toronto which he describes was, in 1960, a fixed realty, approximately 85 houses, 'a mixed bag' population many of whom were long-term residents (30 to 40 years), an aging population, declining amenities, declining tax base, and vanishing school population. By 1967 the average value of houses had gone from $13,000 to $30,000, the population was still mixed and the average age was dropping, and approximately sixty children were in or

about to enter the local school. Very few houses had not been extensively upgraded or renovated.

At this point conflict occurred with a developer whose cataclysmic intervention would have destroyed that community development. The realization came to the residents that they were in fact a community with the rights and responsibilities of such.

What had happened on that street had happened for many reasons unique to Toronto, but it could be parallelled in many other cities in Canada. It is a development increasingly viable economically, both collectively and individually, and inherently healthy socially. But the most important observation must be that what happened on Marlborough Street happened as a result of many individual decisions.

Contrast that with the warning given in a paper by William Michelson[10] on environmental change. Using Toronto data, he studied the question of the social effect of housing using physical environment as attraction and determinant.

Here we have another expression of a 'free market' or free agent phenomenon but, as Michelson points out, all we know indicates that it is fraught with disaster. There will be no housing crisis in the sense that shelter and housing can be equated, but in the larger sense of social good the danger is clear.

> In sum, the most frightening element emerging at present is not so much how developers are building their projects today, but rather the distribution of different types of housing units which are being completed. Condominium high rise apartments are not substitutes for the

> spatial components of single family homes. If the annual number of housing starts continues to include a higher and higher percentage of high rise housing and a smaller and smaller percentage of single family housing, then not only will much of the new housing be inappropriate, but that high rise housing which already exists will be considered more and more negatively by those who live within them.
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> In short, high rise housing as currently chosen and utilized by many of its family residents serves a limited purpose for a limited period. Should the Government and the housing industry not realize the context within which this product falls and continue to be guided by free-market induced land values, toward the unlimited production of high-rise apartments in metropolitan areas as the major answer to need for more dwelling units, then it will be sowing the seeds of its own destruction. Government land banks which allow land to inflate and merely offer different terms for its eventual allocation do not attack the problem.
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> Right now, much of the shrill criticism against high rise may be unfounded when applied to groups with some degree of rational choice and whose mobility from Stage II to Stage III of the family moving cycle is unimpeded. Should this situation change, and the complex arrangement whereby people sort themselves into appropriate lengths of time break down, then increasing verity may underly the accusations made against high rise. We may need a higher percentage of single family houses than current trends indicate if only to enable people more satisfaction in their apartments.
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> If CMHC wishes to, it can control the percentage distribution of types of new housing constructed. The stakes are great for all concerned.[11]

In the face of the two situations the role of government would seem equally clear. Support must be given to those activities which are socially beneficial in both new and existing stock.

What kind of support, whether for buildings or people,

and if for people for whom, poor or all, and where, urban or rural or both, are immediate questions?

If we as a society want to ensure that every citizen is decently housed then we must ensure a variety of housing at a cost range in keeping with the economic and social realities of the day. We must intervene to make sure the housing is there and we may have to intervene to ensure the family unit has the money to utilize it.

Do we assist in the process by directly tying money to a structure or do we devise a scheme to supplement income to make it possible? The immediate answer in my opinion must be that if we want to upgrade existing housing and make that market more attractive, we must tie assistance to buildings. Income or housing supplements might make it possible or more likely, but they do not guarantee.

Rent allowances or shelter allowances seem to be gaining increased attention and support from some economists as a way out of a complicated administrative programme of direct building support.

In a paper commissioned by CMHC in 1977, J. B. Collingworth[12] attempted to cast light on the Byzantine complexities of the British Housing Allowance System. That study identifies at least twelve separate schemes, attempts to support income through allowances, rebates, supplementary benefits and tax relief. Under the heading, housing allowance conundrums, he lists enough problems to justify his conclusion that they are

"mind boggling". Not only are they complicated but shelter allowances must also, by their nature, be highly unpredictable. There would be no way to accurately predict and budget for the cost of shelter allowances if they are to be matched to real costs. A form of rent supplement tied to specific units rather than people would at least have the advantage of financial predictability.

Income supplements may, in that context, be a useful social tool, but they are in isolation highly suspect as an answer to boosting activity in a particular aspect of the housing market.

That housing market is immensely complicated as a concept but remains relatively simple as an experience. Classical economic concepts can only be used with considerable caution as the divergences from a situation of theoretical market perfection are so many as to defy description. Houses of the same floor space and the same construction do not always represent identical goods and do not command identical prices. The nature of the community is complicated by its location and its location subject to a mare's nest of positive and negative factors. The social context is equally complicated with intermediaries active and necessary in the legal, institutional, and governmental realms. Beyond that, both governmental social policy and structural or zoning controls are factors that can appear or disappear independent of commercial realities. If any single element were to be

considered as 'most important', it would have to be public policy and control.

The economic views which are the introduction to our present guidelines are confirmation that things can and do go very wrong in a so-called free economy.

The temptation for investment money to flee to low short term costs and high profits is real. The profit in an uncontrolled market accrues to private landowners, business and financial institutions. The costs are borne by society at large and particularly by those trapped by the change. The massive problems of the North American inner city over the past twenty-five years are not minor failures of the market or passing imperfections, but are inevitably produced by the competitive market itself.

It is only recently that society has begun to ask who pays and how much is paid. More recent studies than that of Jane Jacob's confirm that an uncontrolled and 'free' market is inherently wasteful in precisely those things which would be of first concern to government, and even where a move to development of existing stock emerges freely, there is still the question of who benefits from and who pays for that kind of change. If we can argue a societal benefit, then we can claim society as paymaster. If, however, it can be demonstrated that a purely private benefit is being produced, then justice demands private payment.

Economic realities, however complicated theoretically, are usually very simply experienced. If I, as an individual, want

to acquire something and do not have the money, I can borrow. If what I need is beyond my means to repay, then clearly I am out of luck. If, however, there are real social consequences to my not being able to afford something or do something, then society has an interest and my situation is no longer private.

In the case of housing there are clearly immense social implications and consequences and society must be involved; indeed it cannot afford not to be.

This has been a perception for such a long time that there has not been in living memory a housing market "in the absence of government interventions". It is usually stated that until 1970, the government role in housing was limited to the supply of mortgage funds and mortgage insurance, but from where I sit at this moment I can see several streets of houses which anyone my age would describe as veterans' housing - government intervention in a social need.

At the level of the consumer, economic considerations are usually primitive or elemental considerations. Most buyers have the perception, based on experience, that prices go up. Only in great catastrophes do they go down. Therefore, they buy a house which they can afford to carry to the end that when they are finished it will be worth more than they paid and therefore the 'investment' is both wise and prudent. It all sounds like a purely economic situation. A consumer durable has been bought, an investment made. All that has economic consequences and economic realities but they follow

a decision made on other grounds. The need to buy, "to own a house", is primarily social and emotional. The economic considerations are only window dressing. An economist can rightly argue to his heart's content that the cost of the house, the cost of servicing the debt, and the inevitable associated costs of ownership make nonsense of the idea that it is always a profitable or even prudent use of capital. However, the buyer knows that the capital involved is not available for anything else and the home ownership goal is not, for most, an investment like any other.

For the last twenty years that housing purchase decision would be overwhelmingly in favour of a new suburban house. The context was reasonable and costs predictable, not through the operation of a free market, but as the result of government policy.

Beyond its nostalgic value, a costing example published by CMHC in 1968 is instructive.[13] Citing a house valued at $21,000 with a $16,000 mortgage at 8.5%, the prospective owner could look at monthly mortgage payments - $127.20

taxes -	31.00
heat -	27.00
insurance -	3.00
utilities -	12.00
maintenance -	12.00
	$212.00

The realities of 1983 are that those six headings have experienced anything from an eight-fold to a twenty-fold

increase to the individual and we have only recently become aware of the enormous increase in public cost that does not appear on the list but inevitably appears in the form of taxes on those who live in suburbs or elsewhere.

At the time (1968) when our figures are quoted for new housing, the alternative of an older house purchase obviously existed, but it was a far more complicated possibility.

At the outset costs were not, and are not, as simply established, and beyond purchase price there is inevitably the factor of renovation, maintenance or repair which is neither predictable as to time or cost. Just how unpredictable can be gauged from responses to the 1979 RRAP review questionnaire. There is also the immensely complicated matter of location and the importance of neighbourhood location, stability, and predictability, in financing such a purchase. It is an experienced truth that at the time when CMHC could quote with accuracy mortgage and associated costs in suburban situations, mortgages were virtually impossible to acquire for rural properties and immensely difficult to manage in inner city locations.

It is clear that Canadians historically want to own their houses and that their preference is for a single family house. They have and will buy houses no matter what the economic climate. It is equally clear that the long-term government bias for new suburban housing must, in the light of real costs to society, now be balanced.

The evidence is that some considerable steps have been taken in diversifying government involvement. An examination of present government involvement in the housing field indicates that it is not now restricted to supporting new owner-occupier housing. Under the Canada Rental Supply Plan, the Assisted Rental Plan, until recently MURBS, and the various public housing plans, it is obvious that the federal government is involved in more than simple building stimulus. There is an intention, if not a concerted and co-ordinated plan, to stimulate, to support, and to direct many kinds of housing.

It is that already wide-ranging involvement with its implicit social benefit rationale that justifies inclusion of maintenance and renovation and at the same time insists on a more co-ordinated approach to all involvement. The existing stock represents an enormous capital investment. If that investment value is to be protected it can only be protected through individual building maintenance and, by extension, to area maintenances and renovation as in the N.I.P. The concept of N.I.P., as a collective essential to support individual activities, was sound but it was not taken far enough.

There would be real social dangers in uncontrolled 'gentrification' of the inner city. The move is not yet so strong in Canada as to make the dangers obvious, but the reasons that make the process attractive to some are long-term and they will be factors in planning decisions through the century.

The dramatic change in family size and the clearly established pattern of childless and non-family households combines with long-term economic situations to reinforce a move to existing housing stock in central locations in both large cities and small.

Fuel and transportation costs are clearly a factor now in inner-outer location decisions particularly when the two-working-parent family has to double its transportation costs. Today's high fuel costs are not going to vanish and, as associated costs (automobile purchase, maintenance, and insurance) will also remain high, the pressure to get at least one member closer to existing public transport or close to the work place is a very real one.

While not approaching European levels, the aged represent an increasing segment of the population and their special needs will require a re-thinking of transportation distances and provision of support facilities in a more accessible fashion. Recent studies of rural Ontario demonstrate a clear trend to change in living patterns for the aged and equally clear that there are needs not yet being met.

The dangers of a concerted move into existing housing are many. The theoretical attractiveness of Jane Jacob's mix and Granatstein's mixed bag on Marlborough Street has to contend with the reality of displacement. In the face of rapidly rising values and demand, that danger is increased by increased taxes and the increasingly real need for the elderly to capitalize assets in view of declining income.

We are a long way from creating the homogeneous age and income society the suburbs saw in the 1950's and 60's downtown, but a realization of the eventual social cost of such a situation needs to be borne in mind by planners.

To allow the return to existing stock as a subsidized but otherwise uncontrolled free market surge would be as socially wasteful as the original surge to the suburbs and new stock.

Just how socially beneficial a diversion of emphasis from new to existing stock would be is a complex question, certainly beneficial but not free. Even organic revitalization of the sort Granatstein describes is not without its problems. They are not as dramatic as cataclysmic intervention, but real nonetheless. Imagine the older residents or very low income owner in 1960 who had established, by early purchase and low tax assessment, an economically viable life. What happens to them when the area is tarted up? What happens socially when houses on either side are modernized and yours is not? Displacement downward might be the result unless the benefits to the social mix justify intervention and support.

Again one should ask if renovation activity is both socially and economically valuable, why is it not being done privately?

The attitude of an established homeowner towards rehabilitation is essentially a personally held one, but it can and is modified both by law and society and a policy-imposed economic climate.

In many jurisdictions there are effective minimum maintenance standards and standards for electrical, plumbing, water and sewage systems which are administered from the vantage point of law. City building inspectors are empowered to step in in cases of structural problems. But in many more areas those legal constraints do not work.

The question of why an existing owner would allow such a situation to occur is likely to produce a variety of answers. The owners may be recently in possession of property beyond their ability to carry all costs. Taxes must be paid, mortgages must be maintained or the property is lost. Heating and repairs are subject to reduction and postponement.

The property may have been acquired at one level of income only to find reduced income a long-term reality. The elderly arrive at this state often over years. Divorce, desertion, sudden physical disability, or unemployment can produce the situation quickly.

Costs of necessary repair might be beyond the immediate, commercial return offered by the property making financing impossible - I can't afford it because I can't borrow for it.

Zoning and land use regulations or their absence can produce the same situation. The will to rehabilitate is also socially motivated. Why should I? No one else is. Why bother? The neighbourhood isn't worth it.

Those are attitudes and situations that landlords could share at one level or another but their responses are more

likely to be purely economic - return on investment. Will the repairs or renovations result in improved rental? Is the area safe in the sense of being a stable housing environment? Or is it up for grabs which will limit potential return on that kind of investment?

For the potential purchaser of existing housing the problem is, again, fundamentally financial because, unlike the new house purchaser, he must do two things at once, finance purchase and finance repair. In non-urban situations this may be an advantage. The lower purchase price being reinforced by non-union, non-contract, non-building permit structural work. This clearly is not possible in the case of most potential rental property and two unaided lines of expenditure at once may make it privately impossible.

This is an area of expenditure and a motivation that has been little studied, but some facts are certain. It is enormously important. In 1973, maintenance and repair made up one third of the value of new construction in Toronto,[14] an amount somewhere in the order of $100,000,000.

The results of Morrison's study indicate that the highest repair expenditures were made by younger owners who purchased their homes recently. Older housing stock was likely to receive expenditure, but not the highest lump-sum expenditure. Consistently, single detached properties attracted high repair and renovation investment. Repair patterns would seem to appear as a reinforcement to ownership patterns.

The outstanding fact that Morrison reports on rental units (over half the dwelling units in metro Toronto) is that there are no facts pertaining to maintenance patterns. A basic assumption one would have to make is that any form of rent control would discourage renovative investment in the absence of any compensating factors.

The Toronto study identifies two groups that are particularly caught by the cost of repairs: the elderly poor and the young poor, their position being made worse by their relative inability to call on unpaid labour of family or friends and being forced into a purely commercial market.

There is one other constraint on home renovation that is probably more evident in the Maritimes and eastern Canada. That is the problem of appropriate techniques and compatible materials for renovation in period houses of clear historical styles. It is a problem compounded by the need for taste and judgment as is pointed out by at least one CMHC publication.[15] But for many the solutions remain out of the realm of possibility on more practical grounds; acquiring appropriate materials, acquiring workmen skilled in traditional techniques, the problem of accomodating legislatively-imposed modern facilities in an old fabric. All this often contributes to a "no" to renovation in the private sector.

The extended social benefits to rehabilitation are not easy to document but equally important. In all but the major centres in this country, home ownership is also combined with a sense of particular location or, at least, an area

identification. When extensive renovation, particularly external renovation, occurs it involves a subject that needs to be addressed. That is heritage conservation. A structural improvement such as new windows, insulating siding, or heating changes can, and very often do, destroy the appearance of a period house. In one sense that is an individual decision, but in its implications it is a decision with social and cultural impact.

An important part of any society is how it handles its collective memory. Sometimes that memory is handed over to priests or medicine men, or poets, and is kept alive through ritual. Many times in the past that tradition was combined with what Mumford calls "monument building". The Greeks, for example, listened to blind Homer tell of the wily Odysseus while they built monuments. But since the Renaissance, western European men have increasingly seen our collective memory in things, and we have worked out an elaborate system of indoor and outdoor museums to accomodate their preservation.

We have been less successful in preserving the tangible evidence of history in everyday life, and yet this is surely where its meaning can be best understood. It is not a new problem. In the 12th century, the last Saxon Bishop of England lamented that, "we poor wretches, despising the work of our fathers, labour to heap up stones and who will praise us". But it is a real problem in the 20th century. It may seem irrelevant to a person committed to the creation of the

new, but historians and psychiatrists can tell us that no person and no group can proceed without a sense of identity and established standards of accomplishment even if the latter exist only to rebel against. All that can be demonstrated and proved in the abstract, but it comes down, as most things do, to some basic decisions.

Can we afford to have renovation and rehabilitation proceed in the face of proven damage to heritage realities? Does it matter? Again the answer must be that individual actions are subject to the public good and the public good says heritage concerns are valid and important. They must therefore be a factor in any government "intervention".

Obviously not every old structure is of national importance, but equally obvious is the fact that it is not that difficult to identify, classify, and register those that are. Every advanced European country, the United States, and parts of Canada have already done that. It should be no more difficult to approve historical appropriateness or stylistic compatability than it is to approve electrical wiring or sewage connections.

In discussing heritage concerns it must be clear that I am implying a more extended form of building improvements than was initially intended in the RRAP programme. And that is so. If we accept social and neighbourhood benefits from rehabilitation, we must also accept that exterior appearances and the accumulated neighbourhood changes caused are important enough to warrant extension of categories of eligible work.

The Fredericton experience under the RRAP and NIP programmes was reported as beneficial on five major counts by its administrators in 1979:

1. energy conservation through improved insulation and heating.
2. jobs created without the creation of a bureaucratic structure.
3. significant increase in local sales of building materials.
4. local improvement in spending power through employment.
5. programme had maximum positive impact on elderly.

Here it was seen as making it possible for them to stay in their own homes and was seen to have an impact on:

(a) personal health,
(b) reduced demand for public housing,
(c) reduced demand for nursing home beds,
(d) reduced demand for social assistance,
(e) improved sense of community participation.

The employment impact was particularly important in that it involved individual tradesmen and small businesses of necessity from the locality. The money was spent locally and turned over two or three times. A financial benefit of considerable importance.

The assistance presently rendered and the return benefits within designated areas and to designated incomes must be extended to include rural and semi-rural houses. Too much of what needs to be done lies outside the incorporated or urban jurisdictions. The social and economic context of life outside the cities is every bit as real as that in the city, but less easily read and categorized.

At the same time the nature of the repairs and renovations and locations needs to be extended, I feel that the financial

assumptions need equal extension. It is accepted without question that "the poor" need help, "the elderly" probably need help, and the "native peoples" always need help, but that the "middle Class" is fine. I have problems with the definition of "middle class", but have always assumed what was meant was a person of no inherited wealth who had to earn what was required for sustenance. I have even more problems with policies that isolate one group within society from another.

I find also that I am not as sanguine as some economists in the belief that the "middle class" are as well off as is thought. Given our tax structure, even a professional with a theoretical income of $48,000 per year and five dependments, only sees $2700 of that each month. With economic rents in Toronto being quoted at $800-$900 a month, and assuming the family eats regularly, and is clothed, and goes to the very occasional movie, there does not seem, on the face of it, to be any great amount of extras in that equation. As with existing insulation or electric conversion grants, there could be merit in making the grant subject to income tax, but to deny the interim assistance of a grant because of income levels is folly.

In the end, what I am saying after much too discursive a statement, is that 'yes' government must be involved in programmed activity in renovation and rehabilitation. It must because it is such a large segment of our total building industry and that, in context, has immense social and economic impact.

What we do to maintain, and that implies a process of constant upgrading, housing in the established areas of rural and urban Canada has provable and important influence on the quality of individual and community life. Its economic impact, while not as startling as new construction, has the advantage of being less a stop-start situation and less inflationary.

Beyond a simple structural involvement we must be socially constructive, our policies contributing to a mixed use of what we possess and a variety in both consumer and the consumable. It must be socially responsible even if that violates some imagined economic theory. That social responsibility involves heritage concerns, zoning, planning, and compulsory maintenance provisions, and fiscal responsibility. While our attitude must be one of respect for that deep-seated social and psychological need to belong, to possess something, that has resulted in the dominance of private housing we must, at the same time, recognize that not everyone can or will own their home and equal encouragement needs to be held out to ensure a variety of rental accomodation.

There has been talk in economic circles of "the Brady Bunch syndrome" in our preference for the privately-owned house, and there is truth in the criticism. But I think there is an equal danger in today's society that could be called a "disneyland Syndrome" among economists where an entire pseudo-society is created to conform to a theoretical story line.

The concept of market perfection in the housing industry is as fanciful as 'Frontier Land' or 'Adventure Land'. Our rationale for government involvement in the housing field and our subsequent activities must be on a social base where anthropology, psychology, and sociology all have more to contribute than traditional economic models.

NOTES

1. "And whereas commonwealths and kingdoms cannot have, next after God, any surer foundation than the love and good will of one man towards another, that also is closely bred and maintained in cities, where men by mutual society and companying together, do grow to alliances commonalities, and corporations", John Stow, A Survey of London, 6th edition, 1754-5. 2 vols.

2. 'Housing People'. Proceedings of the 17th annual housing conference of the Ontario Housing Corporation, 1972.

3. The new Marian litany is "Low Income, aged, handicapped and Natives".

4. It should be recognized that in many rural areas a mortgage is a thing to be dreaded, not something sought after.

5. Gary Rafuse, Proceedings of Calgary Symposium, Canadian Council on Social Development. 1980. pg. 72.

6. Andy Rowe - supra. pg. 105.

7. The city, if it is to function effectively, cannot be a segregated environment. The city with a single class, with a single social stratum, with a single type of industrial activity, offers fewer possibilities for the

higher forms of human achievement ... Lewis Mumford, The Culture of Cities. pg. 486.

8. James W. Simmons. Choices in a National Urban Strategy. Centre for Urban and Community Studies, University of Toronto, 1975. The essence of a good (urban) policy is not clear, but it probably included a mix of all companies - stable population growth, higher incomes and better services. p. 82.

9. J. L. Granatstein. Marlborough Marathon. James Lewis and Samuel Ltd., Toronto, 1971.

10. William Michelson. Environmental Change. Centre for Urban and Community Studies, University of Toronto, 1973.

11. Supra. pgs. 68-69.

12. J. B. Collingworth. Housing Allowances: The British Experience. Centre for Urban and Community Studies. University of Toronto, 1977.

13. Lawrence B. Smith. Housing in Canada. Central Morgtgage and Housing Corporation, Ottawa, 1971.

14. Philip Morrison. Expenditures on Housing Maintenance and Repairs. Centre for Urban and Community Studies. University of Toronto, 1978.

15. Harold Kalman. The Sensible Rehabilitation of Older Houses. Canada Mortgage and Housing Corporation, Ottawa, 1979.